

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7016**

**BILL NUMBER:** SB 208

**NOTE PREPARED:** Feb 3, 2005

**BILL AMENDED:**

**SUBJECT:** Pest control and groundhogs.

**FIRST AUTHOR:** Sen. Lewis

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill adopts the Pest Control Compact. It establishes procedures to obtain funds from the Pest Control Insurance Fund. The bill makes technical corrections. It repeals a provision exempting groundhogs from application of state fish and wildlife laws. (The introduced version of this bill was prepared by the Natural Resources Study Committee.)

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** *Pest Control Compact.* This bill provides that the state will join the Pest Control Compact for the purpose of cooperative pest eradication and control. To join, Indiana must pay a one-time fee of \$33,342. However, this expense can be paid over a six-year period, which would result in an annual payment of \$5,557. The Department of Natural Resources (DNR) has identified a source for the funding from within the DNR, so no additional appropriation would be needed.

The bill establishes the Pest Control Insurance Fund to finance other than normal pest control operations that states may be called upon to engage in under the compact. The fund consists of money appropriated to the fund by party states and any donations and grants accepted by the fund. As of March 2004, 35 states belong to the compact. Since the first claim in 1969, the Pest Control Insurance Fund has awarded over \$884,000 through 26 claims to party and non-party states. Assets have not been depleted to a level whereby the insurance fund was not functional. Total assets available as of June 30, 2003, were \$1,079,512.

A governing board and executive committee administer the fund. The board may appoint an executive director and other personnel and fix duties and compensation. The board must provide for the bonding of employees

of the fund. The board must report annually to member states the fund's activities for the preceding year. The board must meet at least once each year to supervise expenditures from the fund. Each party state must have a compact administrator to represent the state on the board. The Commissioner of Agriculture or designee must serve as compact administrator for Indiana. The board may establish advisory committees.

The executive committee consists of the chair of the board and four additional members chosen by the board so that one member represents each of four geographic groupings of party states. Necessary expenses of each of the five members of the executive committee incurred in attending meetings, when not held at the same time and place as a meeting of the governing board, will be charged against the fund.

To apply for expenditures from the fund, a state must submit a statement of the circumstances that occasion the request; evidence that the pest or pathogen constitutes a danger to an agricultural or a forest crop, product, tree, shrub, grass, or other plant having a substantial value to the state; proof of the extent of expenditures budgeted for eradication, control, or prevention of the pest or pathogen. The board or executive committee must give notice to the administrator of meetings at which an application for assistance is to be considered. Before authorizing an expenditure, the fund must ascertain if timely federal assistance is available. If a requesting state is dissatisfied with a determination of the executive committee, the state is entitled to receive a review of the determination.

The fund must submit to each state a budget for the fund as may be required for a presentation to the state's legislature. The budget must contain recommendations of the amounts to be appropriated by each of the party states. The request for appropriations must be apportioned among the party states as follows:

- (1) One-tenth of the total budget in equal shares.
- (2) The remainder in proportion to the value of agricultural and forest crops and products, excluding animals and animal products, produced in each party state.

The fund must not pledge the credit of any party state. The fund must not incur any obligation before the allotment by the party states adequate to meet the obligation. A party state may withdraw from the compact by enacting a statute repealing the law enacting the compact, but a withdrawal does not take effect until two years after.

*Groundhog Exemption.* Under existing law, the DNR has no oversight responsibilities for groundhogs. The proposal would give the DNR such responsibilities. Currently, poachers can claim to be hunting groundhogs without oversight by the DNR. Also, under existing law, the DNR would not be able to take action in the case of groundhog overpopulation or in case of a contagious disease that was carried by or infecting groundhogs. If given the proposed responsibilities, the DNR would be able to assume these responsibilities given its current budget. The DNR Fish and Wildlife Division is funded with General Fund revenue as well as revenue from the Fish and Wildlife Fund.

**Explanation of State Revenues:** The Commissioner of Agriculture may request assistance from the fund whenever the Commissioner believes the conditions qualifying Indiana for assistance exist. States required to undertake or increase measures under the compact may receive money from the fund when the state incurs expenditures or as reimbursement for expenses. The department, agency, or officer liable for an expenditure will have credited to the entity's account, in the state treasury, payments made to defray the costs.

The fund may borrow, accept, or contract for the services of personnel from any state, the United States, or any other governmental agency or from any person, firm, association, or corporation. The fund may accept

donations, grants, equipment, supplies, materials, and services.

**Explanation of Local Expenditures:** *Pest Control Compact.* The proposal could reduce local expenditures for pest eradication or control. The impact, however, would depend on the number and nature of pest infestations and current practices to control such infestations.

*Groundhog Exemption.* If the DNR gained oversight over groundhogs, the DNR could take action or assist local units in case of disease or overpopulation which could reduce local expenditures.

**Explanation of Local Revenues:**

**State Agencies Affected:** Commissioner of Agriculture and the DNR.

**Local Agencies Affected:** Entities that oversee pest infestations or involved in the control of wildlife.

**Information Sources:** Glenn Lange, Chief of Wildlife, DNR.

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